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Gregory Coker  
Commissioner

December 15, 2005

Mr. Glenn Jennings  
Delta Natural Gas Company, Inc.  
3617 Lexington Road  
Winchester, Kentucky 40391

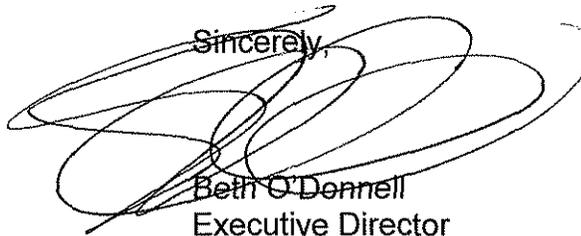
Mr. Dennis Howard  
1024 Capital Center Drive  
Suite 200  
Frankfort, Kentucky 40601

RE: December 13, 2005  
Informal Conference  
Case No. 2005-00464

Dear Sirs:

Enclosed please find a memorandum that has been filed in the record of the above-referenced case. Any comments regarding the contents of the memorandum should be submitted to the Commission *within seven days of receipt of this letter*. Any questions regarding this memorandum should be directed to Mr. Jeff Shaw of the Commission Staff at 502-564-3940, Extension 237.

Sincerely,



Beth O'Donnell  
Executive Director

Attachment

**INTRA-AGENCY MEMORANDUM**  
**KENTUCKY PUBLIC SERVICE COMMISSION**

**TO:** Main Case File - Case No. 2005-00464  
**FROM:** Jeff Shaw, Division of Financial Analysis  
**DATE:** December 15, 2005  
**SUBJECT:** December 13, 2005 Informal Conference

An informal conference held December 13, 2005 at the Commission's offices was attended by representatives of Delta Natural Gas Company, Inc. ("Delta"), the Attorney General of the Commonwealth of Kentucky ("AG"), and Commission Staff ("Staff"). The purpose of the conference was to discuss Delta's request for approval to implement a Home Energy Assistance ("HEA") plan. The attendance list for the conference is attached hereto.

The AG and Staff asked a number of clarifying questions about the proposed HEA plan. Delta explained that it did not file its request pursuant to the provisions of KRS 278.285, the statute governing demand-side management ("DSM") plans, which includes a specific provision for HEA plans. Delta further explained that its proposal was patterned largely after the existing energy assistance program of Columbia Gas of Kentucky, Inc.

Staff summarized the Commission's past decisions on requests to implement HEA plans and reiterated the Commission's intent to process this case promptly.

The AG asked questions and expressed concerns regarding (1) the overall cost of the program, (2) the proposal to effect collections through a volumetric charge, as opposed to a per meter charge, and (3) the benefits, and related costs, that would be realized under Delta's plan to employ local community action agencies ("CAA") to administer the eligibility determination aspect of the proposed HEA plan.

The conference was adjourned with the understanding that Delta would provide the AG and Staff additional information concerning the eligibility criteria for the program and the precise nature of the services, and costs, associated with the CAA involvement in the program. It was also understood that the parties would likely convene for another conference to discuss in greater detail various aspects of the proposed HEA plan. The AG indicated that he would pursue further in-house review of issues discussed at the December 13<sup>th</sup> IC prior to the next conference.

Attachment

KENTUCKY PUBLIC SERVICE COMMISSION

ATTENDEES – INFORMAL CONFERENCE OF DECEMBER 13, 2005

CASE NO. 2005-00464 - DELTA NATURAL GAS CO. – ENERGY ASSISTANCE PROGRAM

NAME	WITH
JEFF SHAW	PSC - FIN. ANALYSTS
Dawn McGee	PSC - Financial Analysis
AARON GREENWELL	PSC - FINANCIAL ANALYSIS
Dennis Howard	OAG
Elizabeth E Bledford	OAG
Connie King	Delta Natural Gas
Glen Jennings	" " "
Arita Mitchell	PSC